

## BILL ANALYSIS

Senate Research Center

H.B. 2294  
By: Yost (Armbrister)  
Natural Resources  
6-13-95  
Enrolled

### BACKGROUND

Title 2, Water Code (State Water Administration), contains several chapters governing the administration of water in Texas. Chapter 52, Water Code, located in Title 4, Water Code, governs the regulation of groundwater. Unlike surface water which is owned by the state, groundwater is owned by the land owner; therefore, groundwater is not subject to appropriation by the Texas Natural Resource Conservation Commission (commission) under Title 2, Water Code.

Some parts of the state have experienced localized problems with their groundwater supply, usually caused by excessive groundwater production. Subchapters B and C, Chapter 52, Water Code, require the commission to study these areas and designate them either groundwater management areas or critical areas. In many of these areas, the state has created local water districts to regulate the spacing of wells or the production of groundwater. These local districts are the only method of regulating groundwater in Texas. As local, regulatory agencies, these districts operate differently than other water districts that primarily provide wholesale and retail water supplies.

By separating Chapter 52 into two chapters located in the Water Administration title of the Water Code -- one chapter governing commission duties to study groundwater issues and the other to govern the creation, administration, operation, and duties of groundwater districts, confusion will be greatly reduced and will allow groundwater districts to operate more efficiently.

### PURPOSE

As enrolled, H.B. 2294 consolidates the provisions of the Water Code governing groundwater districts into a new Chapter 36, Water Code. The bill also creates a new Chapter 35, Water Code, governing the duties of state agencies regarding designation of groundwater management areas and critical areas.

### RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is granted to the board of directors of certain districts or authorities having the authority to regulate the spacing or water wells, the production from water wells, or both, under SECTION 2 (Sections 36.068(c) and 36.117(b), Water Code), the districts or authorities under SECTION 2 (Sections 36.101(a) and 36.107(c), Water Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends the caption of Title 2, Water Code, as follows:

#### TITLE 2. WATER ADMINISTRATION

SECTION 2. Amends Title 2, Water Code, by adding Subtitle E, as follows:

#### SUBTITLE E. GROUNDWATER MANAGEMENT

#### CHAPTER 35. GROUNDWATER STUDIES

Sec. 35.001. PURPOSE. Sets forth the purpose of this bill relating to groundwater management.

Sec. 35.002. DEFINITIONS. Defines "district," "commission," "executive director," "executive administrator," "groundwater," "groundwater reservoir," "subdivision of a groundwater reservoir," "subsidence," "board," "director," "management area," "critical area," and "political subdivision."

Sec. 35.003. SURFACE WATER LAWS NOT APPLICABLE. Provides that the laws and administrative rules relating to the use of surface water do not apply to groundwater.

Sec. 35.004. DESIGNATION OF MANAGEMENT AREAS. (a) Authorizes the Texas Natural Resource Conservation Commission (commission) to designate groundwater management areas (GMAs) with the objective of providing the most suitable area for the management of the groundwater resources. Requires the GMA to coincide, to the extent feasible, with the boundaries of a groundwater reservoir or a subdivision of a groundwater reservoir. Authorizes the commission to consider other factors.

(b) Requires the executive director of the commission (executive director) to prepare available evidence relating to the configuration of a GMA on request. Requires the commission, before making the designation, to consider the evidence prepared by the executive director and other evidence submitted at the hearing.

(c) Authorizes the commission to alter the boundaries of designated GMAs as required by future conditions and as justified by factual data. Provides that an alteration of boundaries does not invalidate the previous creation of any district under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that has the authority to regulate the spacing of water wells, the production from water wells, or both (district).

(d) Requires the commission to designate GMAs using the procedures applicable to rulemaking under the Administrative Procedure Act, Chapter 2001B, Government Code.

Sec. 35.005. PETITION TO DESIGNATE A GROUNDWATER MANAGEMENT AREA. Authorizes a petition to be submitted to the commission for the sole purpose of requesting that the commission designate a GMA for all or part of one or more counties. Sets forth requirements for the petition.

Sec. 35.006. NOTICE FOR DESIGNATION OF MANAGEMENT AREA. Requires the petitioners to have notice published by a certain date in at least one newspaper with general circulation in the county or counties in which the proposed GMA is to be located. Sets forth the information required for the notice. Requires the commission to give the same notice if the commission designates a GMA on its own motion.

Sec. 35.007. IDENTIFYING, DESIGNATING, AND DELINEATING CRITICAL AREAS. (a) Requires the executive director and executive administrator to meet at least once a year to identify those areas of the state that are experiencing or expected to experience critical groundwater problems.

(b) Requires the executive director, if the executive director concludes that an area of the state should be considered for designation as a critical area, to prepare a report to the commission.

(c) Requires the executive director to begin preparation of a critical area report by requesting a study from the executive administrator of the Texas Water Development Board (executive administrator). Sets forth requirements for the study.

(d) Requires the report to include certain information.

(e) Requires the executive director to complete and file the report with the commission by a certain date, and to make the report available for public inspection.

(f) Authorizes the executive director to make necessary studies, hold hearings, solicit

and collect information, and use information already prepared by the executive director or the executive administrator for other purposes.

**Sec. 35.008. PROCEDURES FOR DESIGNATION OF CRITICAL AREAS.** (a) Requires the commission to designate critical areas using the procedures applicable to rulemaking under Chapter 2001B, Government Code. Provides that this chapter controls if procedures required by this chapter are in conflict with that Act.

(b) Prohibits the designation of a critical area from being appealed or being challenged under Section 2001.038, Government Code.

**Sec. 35.009. NOTICE AND HEARING.** Requires the commission to have notice published by a certain date in at least one newspaper with general circulation in the county or counties in which the proposed critical area is to be located. Sets forth the information required for the notice.

**Sec. 35.010. CONSIDERATION OF CREATION OF DISTRICT OR ADDITION OF LAND IN CRITICAL AREA TO EXISTING DISTRICT.** Authorizes the commission to call a hearing, following designation of a critical area, to consider whether a district should be created over all or part of a critical area, or whether all or part of the land in the critical area should be added to an existing district. Sets forth requirements for a hearing.

**Sec. 35.011. NOTICE OF HEARING TO CREATE DISTRICT OR ADD CRITICAL AREA TO EXISTING DISTRICT.** Requires the commission to have notice of the hearing published by a certain date in at least one newspaper with general circulation in the county or counties in which the area being considered for district creation or addition to an existing district is located. Sets forth the information required for the notice. Requires the commission to give written notice to the governing body of each political subdivision located in the critical area.

**Sec. 35.012. COMMISSION ORDER.** (a) Requires the commission to issue an order stating its findings and conclusions.

(b) Requires the commission to issue an order stating that the creation of one or more districts is needed if the commission finds that the land and other property in the critical area would benefit from the creation of one or more districts, that there is a public need for one or more districts, and that the creation of one or more districts would further the public welfare.

(c) Authorizes the landowners in the critical area, during the period between the date of issuance of a commission order under Subsection (b) and one year after the close of the next regular session of the legislature following the issuance of the order, to create one or more districts under Chapter 36B, have the area annexed to a district that adjoins the area, and create one or more districts through the legislative process.

(d) Requires the commission to delineate proposed boundaries of a district to include areas that have not, in the period provided by Subsection (c), been incorporated into a district, subject to the order of the commission. Requires the commission, if it proposes the creation of one or more districts, to begin the procedures for creation of a district provided in Chapter 36B.

(e) Requires the commission to issue an order stating that a district should not be created within the boundaries of the critical area if the commission fails to find that the district would be a benefit to the land and other property within the area, that there is a public need for the district, or that creation of the district will further the public welfare.

(f) Prohibits an order of the commission issued under this section from being repealed.

Sec. 35.013. ADDING CRITICAL AREA TO EXISTING DISTRICT. (a) Authorizes the commission, if land in a critical area is located adjacent to one or more existing districts, to issue an order recommending that the critical area be added to the existing district designated by the commission. Requires the commission, in its order, to make certain findings regarding the positive impact of the addition of land to the existing district.

(b) Requires the commission, if the executive director recommends that the critical area be added to an existing district or if the commission considers it possible to add the critical area to an adjacent existing district, to give notice to the board of directors (board) of the existing district recommended by the executive director or considered by the commission to possibly serve the area and to any other existing districts adjacent to the critical area.

(c) Requires the commission to submit a copy of the order to the board of the district to which it is recommending the critical area be added. Requires the board to vote on the addition of the critical area and to advise the commission of the outcome.

(d)-(e) Requires the board, if it votes to accept the addition of the critical area, to call an election to determine if the critical area will be added to the district, and to give certain notice of the election and the position to be voted on.

(f) Sets forth required language for the ballot.

(g) Requires the board to canvass the returns for the elections and declare the results. Requires the board to declare that the critical area is added to the district if the majority of the voters vote in favor of the proposition, or to declare that the critical area is not added, if a majority of the voters vote against adding the critical area to the district. Requires the board to file a copy of the election results with the commission.

(h) Requires the board of the district to which the critical area is added, if the voters approve addition, to provide reasonable representation on that board compatible with the district's existing scheme of representation.

(i) Prohibits another election on the issue, if the proposition is defeated, from being called before the first anniversary of the date on which the election in the proposition was held.

Sec. 35.014. COSTS OF ELECTIONS. (a) Requires the costs of an election to create a district at which a district is authorized to be created to be paid by the district.

(b) Requires the costs of an election to add a critical area to an existing district at which the voters approve of the addition to be paid by the existing district.

(c) Requires the costs of an election to create a district or add a critical area at which the proposition fails to be paid by the commission.

Sec. 35.015. STATE ASSISTANCE. (a) Prohibits a political subdivision located in or that has within its boundaries an area or part of an area delineated as a critical area, and in which the qualified voters fail to approve the creation of a district or join an existing district, from receiving financial assistance from the state under Chapter 15, 16, or 17 for use within that portion of the critical area not covered by a district.

(b) Requires a political subdivision located in an area delineated as a critical area, and in which qualified voters approve the creation of a district or annexation into an existing district, to be given consideration for state assistance under Chapter 17.

Sec. 35.016. EXEMPTION FROM CHAPTER. (a) Declares that this chapter does not apply to any active groundwater conservation district or to land within an active groundwater conservation district.

(b) Considers a district active if it meets the requirements of Section 36.301(a)(2).

Sec. 35.017. STATE-OWNED LAND. Authorizes the state agency that has management and control over state-owned land located in a critical area to elect by written agreement with the commission and the district to include the state-owned land in the district. Requires the state agency, if the state does not elect to enter into the agreement to include the state-owned land in the district, to establish a groundwater management plan that will conserve, protect, and prevent the waste of groundwater on that land.

## CHAPTER 36. GROUNDWATER CONSERVATION DISTRICTS

### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 36.001. DEFINITIONS. Defines "district," "commission," "executive director," "executive administrator," "groundwater," "groundwater reservoir," "subdivision of a groundwater reservoir," "waste," "use for a beneficial purpose," "subsidence," "board," "director," "management area," "critical area," and "political subdivision."

Sec. 36.002. OWNERSHIP OF GROUNDWATER. Declares that the ownership and rights of the owners of the land and their lessees and assigns in groundwater are hereby recognized, and nothing in this code shall be construed as depriving or diverting the owners or their lessees and assigns of the ownership rights, subject to rules promulgated by a district.

### SUBCHAPTER B. CREATION OF DISTRICT

Sec. 36.011. METHOD OF CREATING DISTRICT. Authorizes a groundwater conservation district to be created under and subject to the authority, conditions, and restrictions of Section 59, Article XVI, Texas Constitution. Grants the commission exclusive jurisdiction over the delineation of management areas and the creation of districts.

Sec. 36.012. COMPOSITION OF DISTRICT. Sets forth the authorized composition of a district.

Sec. 36.013. PETITION TO CREATE DISTRICT. Requires a petition requesting creation of a district to be filed with the executive director for review and submission to the commission. Sets forth requirements for a petition.

Sec. 36.014. NOTICE AND HEARING ON DISTRICT CREATION. Sets forth requirements for a notice of hearing on a petition.

Sec. 36.015. FINDINGS. (a) Requires the commission, if it finds that a district is feasible and practicable, that the district would be a benefit to the land in the district, and that it would be a public benefit or utility, to issue an order granting the petition.

(b) Requires the commission to deny the petition if it fails to make the findings described under Subsection (a).

(c) Authorizes the commission to adjust the boundaries of the proposed district to exclude any land that would not be benefitted by inclusion in the district and are not necessary to the district for proper regulation of the groundwater reservoir.

(d) Requires the commission, if it grants the petition to create the district, to direct in its order creating the district that an election be called by the temporary directors of the board of directors of a district (directors) to confirm the creation of the district and to elect permanent directors.

(e) Declares that the refusal to grant a petition to create a district does not invalidate or affect the designation of any GMA requested in the same petition.

(f) Requires the commission to act on the petition within a reasonable amount of time.

Sec. 36.016. APPOINTMENT OF TEMPORARY DIRECTORS. Requires the commission, if it grants a petition to create a district, to appoint five temporary directors who shall serve a specified term. Requires the directors, as soon as all temporary directors have qualified, to meet, take the oath of office, and elect a chairman and vice chairman from among their membership.

Sec. 36.017. CONFIRMATION AND DIRECTORS' ELECTION. Requires the temporary directors, by a certain date, to meet and order an election to be held within the boundaries of the proposed district to approve the creation of the district and to elect permanent directors. Sets forth requirements for notice of the election, the text of the ballot, and canvassing of returns, and filing of results. Requires the temporary board to declare the district created if a majority of the votes cast at the election favor the creation of the district. Requires the temporary board to declare the district defeated if a majority of the votes cast are against the creation, and declares that the district shall have no further authority, except regarding debts.

Sec. 36.018. INCLUSION OF MUNICIPALITY. (a) Prohibits a separate voting district, if part of the territory to be included in a district is located in a municipality, from being established in the municipality for the purpose of determining whether the municipality as a separate area is to be included in the district.

(b) Provides that, if for any other reason the territory in a municipality is established as a separate voting district, the failure by the voters in the municipal territory to confirm the creation of the district or the annexation of territory to the district does not prevent the territory from being included in the district.

Sec. 36.019. CONFIRMATION ELECTION IN DISTRICT INCLUDING LAND IN MORE THAN ONE COUNTY. Prohibits a district, the major portion of which is located in one county, from being organized to include land in another county unless the election held in the other county to confirm and ratify the creation of the district is approved by a majority of the voters of the other county voting in an election called for that purpose.

Sec. 36.020. BOND AND TAX PROPOSAL. (a) Authorizes the temporary directors, at an election to create a district, to include a proposition for the issuance of bonds or notes, the levy of taxes to retire all or part of the bonds or notes, and the levy of a maintenance tax. Prohibits the maintenance tax rate from exceeding 50 cents of each \$100 of assessed valuation.

(b) Requires the board to include in any bond and tax proposition the maximum amount of bonds or notes to be issued and their maximum maturity date.

Sec. 36.021. NOTIFICATION OF COUNTY CLERK. Requires the board, within 30 days following the creation of a district or any amendment to the boundaries of a district, to file with the county clerk of each county in which all or part of the district is located a certified copy of the description of the boundaries of the district. Requires each clerk to record the certified copy in the property records of that county.

#### SUBCHAPTER C. ADMINISTRATION

Sec. 36.051. BOARD OF DIRECTORS. Declares that the governing body of a district is the board. Sets forth the composition of the board and terms of board members.

(b) Declares that a member of a governing body of another political subdivision is ineligible for appointment or election as a director. Declares that a director is disqualified and creates the office of director if the director is appointed or elected as a member of the governing body of another political subdivision. Declares that this subsection does not apply to any district with a population less than 50,000.

(c) Sets forth guidelines and requirements in the event of a vacancy.

Sec. 36.052. OTHER LAWS NOT APPLICABLE. Provides that other laws governing the administration or operations of districts created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, shall not apply to any district governed by this chapter. Provides that this chapter prevails over any other law in conflict or inconsistent with this chapter, except any special law governing a specific district shall prevail over this chapter.

Sec. 36.053. QUORUM. Declares that a majority of the board membership constitutes a quorum for any meeting, and that a concurrence of a majority of the entire membership of the board is sufficient for transacting any business of the district.

Sec. 36.054. OFFICERS. (a) Requires the board, after a district is created and the directors have qualified, to meet, elect officers, and begin the discharge of its duties.

(b) Requires the board to meet and elect officers after each directors' election.

(c) Sets forth the duties of the president, vice president, and secretary.

(d) Authorizes the board to appoint another person as assistant or deputy secretary to assist the secretary and to certify as to the authenticity of any district record.

(e) Require a district to notify the executive director after any election or appointment of a director.

Sec. 36.055. SWORN STATEMENT, BOND, AND OATH OF OFFICE. Requires a director to make the sworn statement prescribed by the constitution for public office, take the oath of office, and execute a bond for \$10,000 payable to the district and conditioned on the faithful performance of that director's duties. Requires the sworn statement, oath, and bond to be filed with the district. Requires a duplicate original of the sworn statement and oath to be filed with the secretary of state by a certain date.

Sec. 36.056. GENERAL MANAGER. (a) Authorizes the board to employ or contract with a person to perform such services as general manager for the district as the board may specify. Authorizes the board to delegate to the general manager certain authority. Authorizes a director to be employed as general manager except in a district composed of the territory of more than one county. Requires the compensation of a general manager who also serves as a director to be established by the other directors.

Sec. 36.057. MANAGEMENT OF DISTRICT. (a) Requires the board to be responsible for the management of all the affairs of the district. Requires the district to employ or contract with all entities deemed necessary by the board for the conduct of the affairs of the district.

(b) Requires the board to set the compensation and terms for consultants.

(c) Requires the district, in selecting certain professional consultants, to follow the procedures provided in Chapter 2254A, Government Code.

(d)-(e) Require the board to require an officer, employee, or consultant who collects, pays, or handles any funds of the district to furnish good and sufficient bond, payable to the district, in an amount determined by the board to be sufficient to safeguard the district. Set forth requirements for the bond.

(f) Authorizes the board to adopt bylaws to govern the affairs of the district to perform its purposes, and, by resolution, to authorize an employee to execute documents on behalf of the district.

(g) Grants the board the right to purchase all materials, supplies, equipment, vehicles,

and machinery needed to perform its purposes.

Sec. 36.058. CONFLICTS OF INTEREST. Subject a director of a district to the provision of Chapter 171, Local Government Code, relating to the regulation of conflicts of local government officers.

Sec. 36.059. GENERAL ELECTIONS. Requires all elections to be generally conducted in accordance with the Election Code except as otherwise provided by this chapter. Sets forth requirements for write-in candidacies. Requires directors of the district to be elected according to the precinct method defined by Chapter 12, page 1105, Special Laws, Acts of the 46th Legislature, Regular Session, 1939. Requires a person to be a registered voter in the precinct that the person represents in order to qualify to be elected as a director. Sets forth provisions in the event that any part of a municipal corporation is part of one precinct, and for a multicolony district.

Sec. 36.060. FEES OF OFFICE; REIMBURSEMENT. (a) Entitles a director to receive fees of office of not more than \$100 a day, and \$6,000 a year, for each day the director annually spends performing the duties of a director.

(b) Entitles each director to receive reimbursement of actual expenses incurred while engaging in activities on behalf of the district.

(c) Requires each director to file with the district a verified statement showing the number of days actually spent in service to the district and a general description of the duties performed for each day of service, in order to receive fees of office and reimbursement.

Sec. 36.061. POLICIES. Requires the board to adopt certain policies in writing. Authorizes the state auditor to audit the financial transactions of any district if the state auditor determines that the audit is necessary.

Sec. 36.062. OFFICES AND MEETING PLACES. Requires the board to designate and maintain one or more regular office for conducting district business and maintain district records, and to designate one or more places for conducting meetings of the board.

Sec. 36.063. NOTICE OF MEETINGS. Requires notice of board meetings to be given according to Chapter 551, Government Code. Provides that neither failure to provide notice of a regular meeting or an insubstantial defect in notice of any meeting shall affect the validity of any action taken at the meeting.

Sec. 63.064. MEETINGS. (a) Requires the board to hold regular meetings at least quarterly.

(b) Requires meetings to be conducted in accordance with Chapter 551, Government Code. Exempts a meeting of a committee of the board, or a committee of representative of more than one board where less than a quorum of any one board is present, from being subject to the provisions of Chapter 551, Government Code.

Sec. 36.065. RECORDS. Requires the board to keep a complete account of all its meetings and proceedings, and to preserve its records in a safe place. Declares that the records of each district are the property of the district and are subject to Chapter 552, Government Code. Subjects the preservation, storage, destruction, or other disposition of the records to the requirements of Chapter 201, Local Government Code.

Sec. 36.066. SUITS. (a) Authorizes a district to sue and be sued in the courts of this state in the name of the district by and through its board. Requires all courts to take judicial notice of the creation of the district and of its boundaries.

(b) Authorizes any state court rendering judgment for debt against a district to order the board to levy, assess, and collect taxes or assessments to pay the judgment.



(c) Requires the president or general manager of any district to be the agent of the district on whom process, notice, or demand required or permitted by law to be served upon a district may be served.

(d) Prohibits a suit contesting certain items from being instituted in any court of this state, except as provided in Subsection (e).

(e) Authorizes the matters listed in Subsection (d) to be judicially inquired into at any time and determined in any suit brought by the State of Texas through the attorney general. Requires the action to be brought on good cause shown, with exception. Protects the validity of or security for any bonds or other obligations issued by a district if such bonds or other obligations have been approved by the attorney general.

(f) Prohibits a district from being required to give bond for appeal, injunction, or costs in any suit to which it is a party, and from being required to deposit more than the amount of any award in any eminent domain proceeding.

(g) Authorizes the district, if it prevails in any suit other than a suit in which it voluntarily intervenes, to recover reasonable fees for attorneys, expert witnesses, and other costs incurred by the district before the court. Requires the amount of the attorney's fees to be fixed by the court.

Sec. 36.067. **CONTRACTS.** (a) Requires a district to contract, and to be contracted with, in the name of the district.

(b) Authorizes a district to purchase property from any other governmental entity by negotiated contract without the necessity of securing appraisals or advertising for bids.

Sec. 36.068. **EMPLOYEE BENEFITS.** (a) Authorizes the board to provide for and administer retirement, disability, and death compensation funds for district employees.

(b) Authorizes the board to establish a public retirement system and provide for a deferred compensation plan.

(c) Authorizes the board to include hospitalization and medical benefits to its employees as part of the compensation paid to the officers and employees, and to adopt any plan, rule, or regulation in connection with it and amend or change the plan, rule, or regulation as it may determine.

#### SUBCHAPTER D. POWERS AND DUTIES

Sec. 36.101. **RULEMAKING POWER.** Authorizes a district to make and enforce rules to provide for conserving, preserving, protecting, and recharging of the groundwater or of a groundwater reservoir or its subdivisions in order to control subsidence or prevent waste of groundwater and to carry out the powers and duties provided by this chapter.

(b) Requires the board, after notice and hearing, to adopt and enforce rules to implement this chapter.

(c) Requires the board to compile its rules and make them available for use and inspection at the district's principal office.

Sec. 36.102. **ENFORCEMENT OF RULES.** (a) Authorizes a district to enforce this chapter and its rules by injunction, mandatory injunction, or other appropriate remedy in a court of competent jurisdiction.

(b) Authorizes the board to set reasonable civil penalties for breach of any rule of the district that shall not exceed the jurisdiction of a justice court as provided by Section 27.031, Government Code.

(c) Provides that a penalty under this section is in addition to any other penalty provided by the law of this state, and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the district's principal office or meeting is located.

(d) Authorizes the district, if it prevails in any suit to enforce its rules, to recover reasonable fees for attorneys, expert witnesses, and other costs incurred by the district before the court. Requires the amount of the attorney's fees to be fixed by the court.

Sec. 36.103. IMPROVEMENTS AND FACILITIES. Authorizes a district to build, acquire, or obtain by any lawful means any property necessary for the district to carry out its purpose and the provisions of this chapter.

Sec. 36.104. PURCHASE, SALE, TRANSPORTATION, AND DISTRIBUTION OF WATER. Authorizes a district to purchase, sell, transport, and distribute surface water or groundwater for any purpose.

Sec. 36.105. EMINENT DOMAIN. (a) Authorizes a district to exercise the power of eminent domain to acquire by condemnation a fee simple or other interest in property if that property interest is necessary to the exercise of the authority conferred by this chapter.

(b) Prohibits the power of eminent domain authorized in this section from being used for the condemnation of land for the purpose of acquiring rights to groundwater, surface water, or water rights.

(c) Requires the district to exercise the power of eminent domain according to Chapter 21, Property Code, except regarding the deposit of a bond.

(d) Declares that, in a condemnation proceeding brought by a district, the district is not required to pay in advance or give bond or other security for costs in the trial court, to give bond for the issuance of a temporary restraining order or injunction, or to give bond for costs or supersedeas on an appeal or writ of error.

(e) Requires the district, in exercising the power of eminent domain, to bear the actual cost of altering certain construction.

Sec. 36.106. SURVEYS. Authorizes a district to make surveys of the groundwater reservoir or subdivision and surveys of the facilities for development, production, transportation, distribution, and use of the water, in order to determine the quantity of water available for production and use and to determine the improvements, development, and recharging needed by a reservoir or its subdivision.

Sec. 36.107. RESEARCH AND PLANNING. (a) Authorizes a district to carry out any research projects deemed necessary by the board.

(b) Requires the district, following notice and hearing, to develop a comprehensive management plan for the most efficient use of the groundwater, for controlling and preventing waste of groundwater, and for controlling and preventing subsidence. Authorizes the plan to be reviewed annually, and requires the plan to be reviewed by the board at least once every five years.

(c) Requires the plan to include certain information. Requires the district to adopt rules necessary to implement the plan, and to file a copy of the plan and rules with this commission.

Sec. 36.108. JOINT PLANNING IN MANAGEMENT AREA. (a) Requires each district, if two or more districts are located within the boundaries of the same management area, to prepare a comprehensive management plan covering that district's respective territory. Requires each district to forward a copy of the revised plan to the other districts in the

area.

(b) Authorizes the board of each district in the GMA, by resolution, to call a joint meeting with the board of other districts in the management area to review the management plans and accomplishments for the GMA. Requires the boards to meet to consider the plans individually and compare them to other management plans then in force in the GMA. Requires the boards, in reviewing the plans, to make certain considerations.

(c) Requires a joint meeting of the board to be held in accordance with Chapter 551, Government Code, Requires notice of the meeting to be given, and sets forth requirements for the notice.

(d) Authorizes a district in the GMA to file a petition with the commission requesting an inquiry under certain conditions.

(e) Requires the commission to review the petition by a certain date and dismiss the petition if it finds that the evidence is not adequate to show that conditions alleged in the petition exist, or select a review panel.

(f) Authorizes the commission to appoint a review panel, and sets forth guidelines for composition of the panel.

(g) Requires the review panel to review the petition and relevant evidence by a certain date, and, in a public meeting, prepare a report to the commission. Authorizes the commission to direct the review panel to conduct public hearings at a location in the GMA to take evidence on the petition. Authorizes the panel to attempt to negotiate a settlement or resolve the dispute by any lawful means.

(h) Requires the review panel to include certain information in its report.

Sec. 36.109. COLLECTION OF INFORMATION. Authorizes a district to collect any information the board deems necessary.

Sec. 36.110. PUBLICATION OF PLANS AND INFORMATION. Authorizes a district to publish its plans and the information it develops, bring them to the attention of the groundwater users in the district, and encourage the users to adopt and use them.

Sec. 36.111. RECORDS AND REPORTS. Requires the district to require that records be kept and reports be made for the drilling, equipping, and completing of water wells and of the production and use of groundwater.

Sec. 36.112. DRILLERS' LOGS. Requires a district to require that drillers' logs be kept of water wells and that copies of drillers' logs and electric logs be filed with the district.

Sec. 36.113. PERMITS FOR WELLS. Requires a district to require permits for the drilling, equipping, or completing of wells, or for substantially altering the size of wells or well pumps. Sets forth guidelines for the issuance of permits.

Sec. 36.114. PERMIT: APPLICATION AND HEARING. Requires the district to promptly consider and pass on each application for a permit, and sets forth provisions in the event that the commission fails to do so.

Sec. 36.115. DRILLING OR ALTERING WELL WITHOUT PERMIT. Prohibits any person, firm, or corporation from drilling or operating a well, or altering the size of a well or well pump such that it would bring that well under the jurisdiction of the district, without obtaining a permit from the district. Provides that a violation occurs on the first day the drilling, alteration, or operation begins, and continues each day thereafter until the appropriate permits are approved.

Sec. 36.116. REGULATION OF SPACING AND PRODUCTION. Authorizes a district, in order to minimize the drawdown of the water table or the reduction of artesian pressure, to control subsidence, or to prevent waste, to provide for the spacing of water wells and regulate the production of wells.

Sec. 36.117. EXCEPTIONS; LIMITATIONS. (a) Prohibits a district from requiring certain permits.

(b) Requires the board to adopt rules determining the applicability of Subsection (a)(3) to facilities used primarily for feeding livestock.

(c) Prohibits the district from denying the owner of a tract of land, or a lessee, who has no well equipped to produce more than 25,000 gallons a day on the tract, a permit to drill a well on the owner's land or the privilege to produce groundwater from the land, subject to district rules.

(d) Prohibits a district from restricting the production of any well equipped to produce 25,000 gallons or less a day.

(e) Provides that nothing in this chapter applies to wells drilled under permits issued by the Railroad Commission of Texas (RRC). Prohibits a district from requiring a permit to drill a well to supply water for drilling any of the wells permitted by RRC. Subjects to district rules any well that ceases to be used for these purposes and is then used as an ordinary well.

(f) Requires water wells exempted under this section to be equipped and maintained so as to conform to the district's rules requiring installation of casing, pipe, and fittings to prevent the escape of groundwater from a groundwater reservoir to any reservoir not containing groundwater and to prevent the pollution or harmful alteration of the character of the water in any groundwater reservoir.

(g) Requires a district to require water wells exempted under this section to be registered with the district.

Sec. 36.118. OPEN OR UNCOVERED WELLS. (a) Authorizes a district to require the owner or lessee of land on which an open or uncovered well is located to keep the well permanently closed or capped with a certain covering, except when the well is in actual use.

(b) Defines "open or uncovered well."

(c) Authorizes any entity employed by the district, if the owner or lessee fails or refuses to close or cap the well, to go on the land and close or cap the well safely and securely.

(d) Declares that reasonable expenses incurred by the district in closing or capping a well constitute a lien on the land on which the well is located.

(e) Declares that the lien arises and attaches upon recordation in the deed records of the county where the well is located an affidavit stating certain information.

(f) Declares that nothing in this section affects the enforcement of Chapter 756A, Health and Safety Code.

Sec. 36.119. ILLEGAL DRILLING AND OPERATION OF WELL; CITIZEN SUIT.

(a) Declares drilling a well without a required permit or operating a well at a higher rate of production than the rate approved for the well to be illegal, wasteful, and a nuisance.

(b) Authorizes a person who has an estate in land adjacent to the land on which the well is located, or a part that lies within one-half mile of the well, to sue in a court of

competent jurisdiction to restrain or enjoin the illegal drilling or operation, or both. Authorizes the suit to be brought with or without the joinder of the district.

(c) Authorizes the aggrieved party to sue for damages for injuries suffered by reason of the illegal operation and for other relief to which they may be entitled. Declares that, in a suit for damages, the existence or operation of a well in violation of district rules is prima facie evidence of illegal drainage.

(d) Authorizes the suit to be brought in the county where the illegal well is located or in the county where all or part of the affected land is located.

(e) Provides that the remedies provided by this section are cumulative of other remedies available to the individual or district.

(f) Requires a suit brought under this section to be advanced for trial and determined as expeditiously as possible. Prohibits the court from granting a postponement or continuance, except for reasons considered imperative by the court.

**Sec. 36.120. INFORMATION.** Requires the district, on request of the executive director or executive administrator, to make available information that the district acquired concerning the groundwater resources within its jurisdiction, and to provide information to the commission and the Texas Water Development Board concerning its plans and activities in conserving and protecting groundwater resources. Requires the executive director and executive administrator, on district request, to provide information concerning the groundwater resources in the district's jurisdiction.

**Sec. 36.121. LIMITATION ON RULEMAKING POWER OF DISTRICTS OVER WELLS IN CERTAIN COUNTIES.** Requires a district created under this chapter on or after September 1, 1991, to exempt from regulation under this chapter a well and the water provided by a well located in certain counties.

#### **SUBCHAPTER E. DISTRICT FINANCES**

**Sec. 36.151. EXPENDITURES.** Authorizes a district's money to be disbursed only by check, draft, order, or other instrument. Requires disbursements to be signed by at least two directors, with exception. Authorizes the board, by resolution, to allow disbursements to be transferred by federal reserve wire system to accounts in the name of the district.

**Sec. 36.152. FISCAL YEAR.** Requires the district to be operated on the basis of a fiscal year established by the board. Prohibits the fiscal year from being changed during a certain period.

**Sec. 36.153. ANNUAL AUDIT.** Requires the board to have an audit made annually of the financial condition of the district. Requires the audit and other district records to be open to inspection during regular business hours at the district's principal office.

**Sec. 36.154. ANNUAL BUDGET.** Requires the board to prepare and approve an annual budget containing a complete financial statement. Authorizes the budget to be amended on the board's approval.

**Sec. 36.155. DEPOSITORY.** Requires the board to name one or more banks to serve as depository for district funds. Sets forth requirements for deposit.

**Sec. 36.156. INVESTMENTS.** Authorizes district funds to be invested and reinvested according to Chapter 2256, Government Code. Authorizes the board, by resolution, to provide that an authorized representative of the district may invest and reinvest the funds of the district and provide for money to be withdrawn from appropriate district accounts for investments on terms the board considers advisable.

**Sec. 36.157. PAYMENT OF ORGANIZATIONAL EXPENSES.** Authorizes a district

to pay all costs and expenses necessarily incurred in the creation and organization of a district, and to reimburse any person for money advanced for those purposes. Authorizes payments to be made from money obtained from the sale of certain bonds or out of maintenance taxes or other revenues of the district.

Sec. 36.158. GRANTS. Authorizes a district to make or accept grants, gratuities, advances, or loans in any form to or from any source approved by the board, and to enter into contracts, agreements, and covenants in connection with grants, gratuities, advances, or loans that the board considers appropriate.

#### SUBCHAPTER F. BONDS AND NOTES

Sec. 36.171. ISSUANCE OF BONDS AND NOTES. (a) Authorizes the board to issue and sell bonds and notes in the name of the district for any lawful purpose of the district. Prohibits a district from issuing bonds unless the commission determines that the project to be financed by the bonds is feasible and issues an order approving the issuance of the bonds. Declares that this section does not apply to refunding bonds.

(b) Authorizes a district to submit to the commission a written application for investigation of feasibility, and requires an engineer's report to be submitted with the application.

(c) Requires the executive director to examine the application and the report, and to inspect the project area. Requires the district, on request, to supply the executive director with data and information necessary for an investigation of the application, engineer's report, and project.

(d) Requires the executive director to prepare a written report on the project and include suggestions for changes or improvements. Requires the executive director to retain a copy of the report and send a copy of the report to both the commission and district.

(e) Requires the commission to consider the application, reports, and any other evidence allowed by commission rule to be considered.

(f) Requires the commission to determine whether the project to be financed by the bonds is feasible and issue an order either approving or disapproving the issuance of the bonds. Requires the commission to retain a copy of the order and send a copy of the order to the district.

(g) Authorizes the commission to approve the issuance of bonds of a district without the submission of plans and specifications of the improvements to be financed with the bonds. Authorizes the commission to condition the approval in any terms or conditions considered appropriate by the commission.

Sec. 36.172. MANNER OF REPAYMENT OF BONDS AND NOTES. Sets forth the manner in which the board may provide for the repayment of bonds and notes.

Sec. 36.173. ADDITIONAL SECURITY FOR BONDS AND NOTES. Authorizes the bonds and notes to be additionally secured. Authorizes the trust indenture to contain certain provisions. Declares that a purchaser under a sale under the deed trust or mortgage lien shall be absolute owner of the properties and rights purchased, and may maintain and operate them.

Sec. 36.174. FORM OF BONDS OR NOTES. Authorizes a district to issue bonds or notes in various series or issues. Sets forth guidelines and requirements for issuance and maturity.

Sec. 36.175. PROVISIONS OF BONDS AND NOTES. (a) Authorizes the board, in the orders or resolutions authorizing the issuance of bonds or notes, to provide for the flow

of funds and the establishment and maintenance of other funds. Authorizes the board to make certain additional covenants.

(b) Authorizes the board orders or resolutions authorizing the issuance of bonds or notes to prohibit the further issuance of bonds, notes, or other obligations payable from the pledged revenue, or to reserve the right to issue additional bonds or notes to be secured by a pledge of and payable from the revenue on a parity with or subordinate to the lien and pledge in support of the bonds or notes being issued.

(c) Authorizes the orders or resolutions of the board issuing bonds or notes to contain other provisions and covenants as the board may determine.

(d) Authorizes the board to adopt and have executed any other proceeding or instruments necessary and convenient in the issuance of bonds or notes.

Sec. 36.176. REFUNDING BONDS. Authorizes a district to issue bonds to refund all or part of its outstanding bonds or notes. Sets forth guidelines and requirements for refunding bonds.

Sec. 36.177. BONDS AND NOTES AS INVESTMENTS. Declares that district bonds and notes are legal and authorized investments for certain entities.

Sec. 36.178. BONDS AND NOTES AS SECURITY FOR DEPOSITS. Provides that district bonds and notes are eligible to secure deposits of public funds of the state and cities, counties, school districts, and other political subdivisions of the state, and that the bonds and notes are lawful and sufficient security for deposits to the extent of their value when accompanied by all unmatured coupons.

Sec. 36.179. TAX STATUS OF BONDS AND NOTES. Provides that bonds and notes issued by the district, any transaction relating to the bonds and notes, and profits made in the sale of bonds and notes, are free from taxation by the state or a political subdivision of the state.

Sec. 36.180. ELECTION. Prohibits bonds or notes secured by taxes from being issued by the district until authorized by a majority vote of the qualified voters of the district at an election called for that purpose. Sets forth requirements for calling the election and the text of the ballots. Requires the board to canvass the returns and declare the results. Authorizes the bonds or notes to be issued if a majority of the votes cast favor the issuance of the bonds or notes.

Sec. 36.181. APPROVAL BY ATTORNEY GENERAL; REGISTRATION BY COMPTROLLER. Requires bonds and notes issued by a district to be submitted to the attorney general for examination. Requires the attorney general to approve bonds and notes authorized in accordance with the law, and requires them to be registered by the comptroller. Declares that, after approval and registration, the bonds and notes are incontestable and are valid and binding obligations in accordance with their terms for all purposes.

#### SUBCHAPTER G. DISTRICT REVENUES

Sec. 36.201. LEVY OF TAXES. (a) Authorizes the board to levy taxes annually to pay the district bonds that are payable in whole or in part by taxes.

(b) Authorizes the board to levy taxes annually at a certain rate to pay the maintenance and operating expenses of the district.

(c) Prohibits the board from levying a tax to pay maintenance and operating expenses until the tax is approved by a majority of the electors. Sets forth guidelines for an election under this subsection.

(d) Requires an order calling a separate election for approval of a tax to be issued at least 15 days before the date of the election. Sets forth requirements for the election notice.

Sec. 36.202. BOARD AUTHORITY. Authorizes the board to levy taxes for the entire year in which the district is created, and, if territory is added to or annexed by the district, to levy taxes in the new territory for the entire year in which the territory is added or annexed. Requires the board to levy taxes on all property in the district subject to district taxation.

Sec. 36.203. TAX RATE. Requires the board, in setting the tax rate, to take into consideration the income of the district from sources other than taxation. Requires the board, on determination of the amount of tax required to be levied, to make the levy and certify it to the tax assessor-collector.

Sec. 36.204. TAX APPRAISAL, ASSESSMENT, AND COLLECTION. Provides that the Tax Code governs the appraisal, assessment, and collection of district taxes. Authorizes the board to provide for the appointment of a tax assessor-collector for the district, or to contract for the assessment and collection of taxes as provided by the Tax Code.

Sec. 36.205. AUTHORITY TO SET FEES. (a) Authorizes a district to set fees for administrative acts of the district, and prohibits such fees from exceeding a certain amount.

(b) Requires the district to set and collect fees for all services provided outside the boundaries of the district.

(c) Prohibits fees based on the amount of water to be withdrawn from a well from exceeding a certain rate.

(d) Requires a district affected by Subsection (c)(2) that also may assess a water use fee against a specific municipality to assess an amount not to exceed a certain amount. Requires this subsection to take precedence over all prior enactments.

(e) Provides that Subsection (c) does not apply to certain districts.

#### SUBCHAPTER H. JUDICIAL REVIEW

Sec. 36.251. SUIT AGAINST DISTRICT. Entitles any person, firm, corporation, or association of persons affected by and dissatisfied with any provision or rule or order made by a district to file a suit against the district or its directors to challenge the validity of the law, rule, or order. Requires the suit to be filed in a court of competent jurisdiction in any county in which the district is located. Authorizes the suit to be filed only after all administrative appeals to the district are final.

Sec. 36.252. SUIT TO BE EXPEDITED. Requires a suit brought under this subchapter to be advanced for trial and determined as expeditiously as possible. Provides that no postponement or continuance shall be granted, except as the court considers imperative.

Sec. 36.253. TRIAL OF SUIT. Places the burden of proof on the petitioner. Considers the challenged law, rule, or order prima facie valid. Provides that the review on appeal is governed by the substantial evidence rule.

Sec. 36.254. SUBCHAPTER CUMULATIVE. Declares that the provisions of this subchapter do not affect other legal or equitable remedies that may be available.

#### SUBCHAPTER I. DISSOLUTION OF DISTRICT

Sec. 36.301. DISSOLUTION. Authorizes the committee to dissolve a district that has



been inactive for three consecutive years and has no outstanding bonded indebtedness. Authorizes a district composed of territory entirely within one county to be dissolved regardless of outstanding indebtedness that matures after the year in which the district is dissolved, and sets forth requirements for the payment of the taxes. Describes an active district.

Sec. 36.302. NOTICE OF HEARING. Requires the commission to give notice of the dissolution hearing. Sets forth requirements for the notice.

Sec. 36.303. INVESTIGATION. Requires the executive director to investigate the facts and circumstances of the district to be dissolved, and requires the result of the investigation to be included in a written report.

Sec. 36.304. ORDER OF DISSOLUTION. Authorizes the commission to enter an order dissolving the district if the commission finds that the district has performed none of the functions for which it was created for three consecutive years before the day of the proceeding and that the district has no outstanding bonded indebtedness.

Sec. 36.305. CERTIFIED COPY OF ORDER. Requires the commission to file a certified copy of the order of dissolution in the deed records of the county or counties in which the district is located, and, if the district was created by a special Act of the legislature, to file a certified copy with the secretary of state.

Sec. 36.306. APPEALS. Requires appeals from a commission order dissolving a district to be filed and heard in the district court of any of the counties in which the land is located. Requires the trial on appeal to be de novo and the substantial evidence rule to not apply.

Sec. 36.307. ASSETS ESCHEAT TO STATE. Requires all district assets, upon district dissolution, to escheat to the State of Texas, to be administered by the state treasurer, and to be disposed of as provided by Chapter 72, Property Code.

#### SUBCHAPTER J. ADDING TERRITORY TO DISTRICT

Sec. 36.321. ADDING LAND BY PETITION OF LANDOWNER. Authorizes the owner of land contiguous to a district to file with the board a notarized petition requesting that the owner's land be included in the district. Requires the petition to include certain information.

Sec. 36.322. ASSUMPTION OF BONDS. Requires the petitioner, if the district has bonds, notes, or other obligations outstanding or bonds payable from taxation that have been noted but are unissued, to assume the petitioner's share of the outstanding bonds, notes, or obligations and any voted but unissued tax bonds of the district. Requires the property to be assessed an ad valorem tax at a certain rate.

Sec. 36.323. HEARING AND DETERMINATION OF PETITION. (a) Requires the board to hear and consider the petition, and to add to the district the land described in the petition if considered advantageous to the petitioner and existing district.

(b) Authorizes the board, if the district has bonds payable from taxation that are voted but unissued at the time of the annexation, to issue the bonds despite the alteration of district boundaries since the authorization of the bonds.

Sec. 36.324. RECORDING PETITION. Requires a petition that is granted that adds land to the district to be recorded in the office of the county clerk of the county or counties in which the land is located and in which the existing district's principal office is located.

Sec. 36.325. ADDING CERTAIN TERRITORY BY PETITION. Authorizes landowners of a defined area of territory not already in a district to file with any district a petition requesting inclusion in that district. Requires the petition to be signed by certain entities.

Sec. 36.326. HEARING ON PETITION. Requires the board, by order, to set the time and place of separate hearings in the petition under Section 36.325. Requires at least one hearing to be held in the existing district and one on the territory to be added.

Sec. 36.327. RESOLUTION TO ADD TERRITORY. Authorizes the board, if it finds that the addition of the land would benefit the district and territory to be added, to add the territory by resolution. Declares that the board does not have to include all the territory in the petition if it finds that a modification or change is necessary or desirable.

Sec. 36.328. ELECTION TO RATIFY ANNEXATION OF LAND. Provides that annexation of the territory is not final until ratified by a majority vote of the voters in the territory to be added. Sets forth required text for the ballot. Require the amount of the tax included in the proposition to be the maximum amount that the district is authorized to levy. Sets forth requirements in the event that the district has outstanding or authorized bonded indebtedness.

Sec. 36.329. NOTICE AND PROCEDURE OF ELECTION. Provides that the notice of the election, the manner and time of giving the notice, the manner of holding the election, and qualifications of the voters, are governed by the Election Code.

Sec. 36.330. LIABILITY OF ADDED TERRITORY. Requires the added territory to bear its pro rata share of indebtedness or taxes owed, contracted, or authorized by the district to which the territory is added.

Sec. 36.331. ANNEXATION OF NONCONTIGUOUS TERRITORY. Prohibits land not contiguous to the existing boundaries of a district from being added or annexed to a district unless the land is located within the same GMA, critical area, or a groundwater subdivision designated by the commission or its predecessors.

#### SUBCHAPTER K. CONSOLIDATION OF DISTRICTS

Sec. 36.351. CONSOLIDATION OF DISTRICTS. Authorizes two or more districts to consolidate into one district. Authorizes agents to consolidate portions of either district if one district relinquishes land within that district to the jurisdiction of the other district. Declares that a consolidation occurs if the board of each involved district adopts a resolution containing the terms and conditions of the consolidation.

Sec. 36.352. TERMS AND CONDITIONS OF CONSOLIDATION. Sets forth the required and authorized terms and conditions for consolidation.

Sec. 36.353. NOTICE AND HEARING ON CONSOLIDATION. Requires each board to publish notice and hold a public hearing on the terms and conditions for consolidation. Authorizes the board, after the hearing and by resolution, to approve the terms and conditions and enter an order consolidating the districts.

Sec. 36.354. ELECTIONS TO APPROVE CONSOLIDATION. Requires an election to ratify consolidation except under certain conditions. Sets forth requirements for ordering an election and the text of the ballot. Authorizes a district to be consolidated only if a majority of electors in each district vote in favor of the consolidation. Prohibits failure of any one district to ratify the consolidation from preventing the consolidation of the other districts, if more than two districts are consolidating.

Sec. 36.355. GOVERNING CONSOLIDATED DISTRICTS. (a) Provides that, after two or more districts are consolidated, they become one district and are so governed.

(b) Requires the officers of each district, during the transition period, to continue to act jointly as officers of the original districts to settle the affairs of their respective districts.

(c) Requires the directors for the consolidated district, if the consolidated district elects

directors, to be elected in the same manner and for the same terms as directors elected at a confirmation election. Requires the directors' election to be set for the next regular election.

Sec. 36.356. DEBTS OF ORIGINAL DISTRICTS. Sets forth requirements for the payment of debts after two or more districts are consolidated.

Sec. 36.357. ASSESSMENT AND COLLECTION OF TAXES. Requires the consolidated district, if it has taxing authority to assess and collect taxes on property in the district for maintenance and operation of the district.

Sec. 36.358. VOTED BUT UNISSUED BONDS. Authorizes the consolidated district, if either district has voted but unissued bonds payable in whole or in part from taxation assumed by the consolidated district, to issue the voted but unissued bonds in the name of the consolidated district and levy a uniform tax on all taxable property in the consolidated district to pay for the bonds.

Sec. 36.359. FILING OF ORDER WITH COUNTY CLERK AND EXECUTIVE DIRECTOR. Requires a consolidation order issued by the board to be kept in the records of the consolidated district, recorded in the office of the county clerk in each of the counties in the consolidated district, and filed with the executive director.

SECTION 3. Amends Section 151.003(b), Water Code, to make a conforming change.

SECTION 4. Amends Section 151.005(a), Water Code, to make conforming and nonsubstantive changes.

SECTION 5. Amends Section 151.005(c), Water Code, to make conforming changes.

SECTION 6. Repealer: Chapter 52, Water Code (Underground Water Conservation Districts).

SECTION 7. Provides that an election conducted by a district formerly governed by Chapter 52, Water Code, on August 14, 1993, at which voters in the district approved the levy of taxes for the district's maintenance and operating expenses is validated in all respects as of the date on which the election occurred. Prohibits a district's levy and collection taxes, as approved by that election, and a district's subsequent acts and proceedings from being held invalid on the ground that the district was not authorized to levy the taxes or conduct the election.

SECTION 8. Effective date: September 1, 1995.  
Makes application of this Act prospective.

SECTION 9. Emergency clause.